



DistributorMaster-2015

New Ways of developing Distributors Business

Who is – David O' Neill



- 40 years working in the FMCG industry
- As a senior manager for the past 30 years I have successfully managed a wide portfolio of blue chip National and International Brands with wide experience of negotiating with major retailers and international blue-chip manufacturers at senior management level
- 4 years working in the Supermarket Sector of Retailing
- 20 years working with Nestle across Ireland, UK and Switzerland
- 7 years working as Managing Director of Stafford Lynch Sales, Marketing & Distribution
- 2 years working as Commercial Director of SHS Sales & Marketing
- 7 years working as Managing Director of SHS Sales & Marketing
- 16 years a Member of ESMA
- 7 years as a Board Member of ESMA
- President of ESMA in 2013
- And now CEO of ESMA



European Consumer Trends and Breaking Technology



Gluten Free and Free From Trends



Gluten Free / Free From Boom



- Above Categories are now Mainstream destination sections within all Retail outlets across Europe after just 4 years
- Now account for 9.4% of all Global food and beverage launches after 4 years

Fastest Growing Free From Claims



- Gluten Free
- Sugar Free
- Dairy Free
- Egg Free
- Lactose Free
- Wheat Free
- Gelatin Free
- Vegan

Gluten Free / Free From Boom



% of market category launches covering “Gluten Free” claims

- Cereal +19%
- Spreads + 13%
- Dairy + 13%
- Snacks + 12%
- Meat, Fish & Eggs +11%

Big “Free From” Brands across Europe



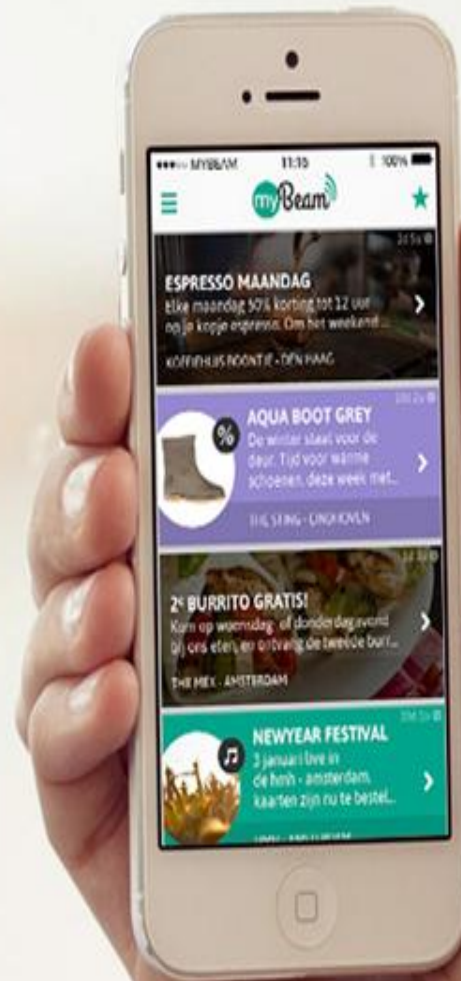
Breaking Technology



The future is here for
Maximising Sales with
Free Standing Display
units in all Retail Outlets

Introducing the myBeam Platform

Due for release
November 2015



Beacons in displays



What are beacons?





A Beacon is a small Bluetooth Low Energy (BLE) transmitter with a reach of 1 to 50 meters with a battery capacity from 3 months up to 2 years





Your mobile website for smartphones and tablets makes it possible to detect the beacons. The Bluetooth signal activates the specific content which is taken from the internet.





A company which uses beacons can match any mobile action webpage to a specific beacon. The only thing we need to know is the URL – Uniform Resource Locator





Why install beacons in displays

- Beacon-technology makes the traditional display interactive
- Offline display campaigns are supported online through beacons online and monitored real time
- Potential reach increases by combining on – and offline world
- Send messages at exact location and time

Beacons in displays

- Real time communication with your target group
- Creates stopping power!
50/50 moment
- Customers intention to buy increases 20 times



Yes

- 77% Men
- 80% Women

Uses retail apps on the
shopfloor

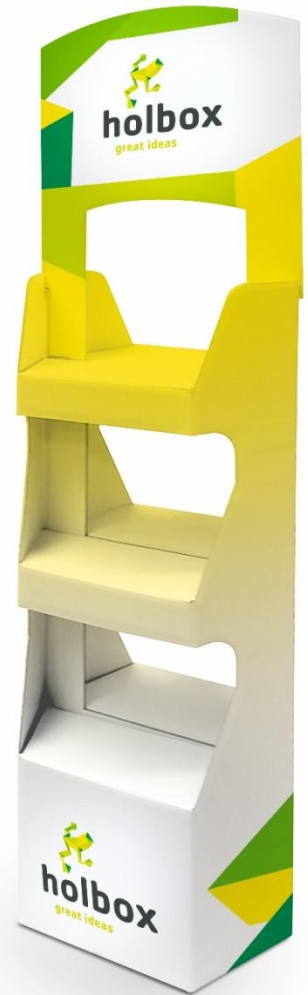
A reasonable number of people

44% Men

39% Women

As long as its relevant!!

- Traditional marketing is changing
- Online communication in a offline setting
- Ability to change during campaigns!
- Learnings instantly available through clear analytics



Distributor Opportunities in an Economic Crisis



- Opportunity to review your current business model
 - Is it still Fit for Purpose in the crisis
- Challenge all your fixed overhead costs
 - Stock Levels, Credit Terms with Brand Owners, Cash Flow
 - Layers of Management, Brand Portfolio – Gross to Net
 - RH&D – In-House or 3PL, Cost to serve analysis by Channel
- Challenge your Brands listings and position on shelf
 - All Brands in all stores – if not – why not
 - All Brands in prime location on shelf – if not – why not
- Look to manage alternative Channels
 - HoReCa, Chilled, Frozen, DIY, Electrical, Pharmacy
- Review the market – identify Manufacturers who you believe are underperforming and make it your business to meet them with your alternative plan

Distributor Opportunities in an Economic Crisis



- Manufacturers move from Fixed to Variable costs
 - Nestle, Colgate, P&G, Unilever, Johnson & Johnson, Weetabix, Cereal Partners, Mars, Lindt, Barilla etc, etc
 - Good for us as Distributors
- Manufacturers sell Key Brands
 - P&G sold Duracell Brand to Billionaire Warren Buffett
 - Duracell Brand is now Managed across almost all Continents by Local Market Distributors
- You must keep on top of what Manufacturers are selling off their Brands, you must then to find out who the Brand is been sold too – you must then act fast
- Example of Marigold Rubber Glove Brand

Direct contact – Retailer and Manufacturer



- This action will never “Go Away” – this is here to stay, you need to manage it with your Brand Owners
- Its about how strong your Relationship/Partnership is with your Brand Owner
- Its about the Contract of Agreement you have signed up to with your Brand Owner – Exclusivity or compensation if a Retailer forces the Brand Owner to deal direct
- If you experience a Retailer forcing the Manufacturer
 - Look at alternative ways of working with your Brand Owner
 - Manage the RH&D in your market to supply the Retailer
 - Offer your Merchandising and Store Compliance Services
 - Offer your Local Key Account Management of the Brand at H.O. level

Increase the Margins of Business in Europe



- Are you selling “All of your Company’s Services” to every Brand Owner
 - Market Research, Pricing Monitoring, National Account Management, Sales, Merchandising, Local Brand Management, Telesales, Telemarketing, Back Office services, RH&D
- For New Business
 - Insist on a 12 month Management Fee paid in Monthly Instalments – this is on top of the agreed Percentage or Cash Margin for the day to day Management of the business
 - You should not work on a Percentage Margin basis if the Case Cost delivered to your warehouse is lower than €15.00
 - Your “Stock Level Cover” by SKU should be no more than 4 weeks, anymore higher than 4 weeks, the Brand Owner pays
 - Do not accept “Minimum Production Runs” this suites the Brand Owner but not your business – potential Big Overstocks

What products can you offer Europeans



- High quality Chocolate
- High quality Sugar Candy
- High quality Biscuits and Cakes
- Luxury Food Items of High Quality

- Most European Supermarkets have what's known as a “Foods of the World” Section – this is where you look to market and sell Traditional mainstream Ukrainian products – Poland is very good at achieving this in most Supermarkets throughout Europe



ESMA – EUROPE S
LEADING DISTRIBUTOR
ORGANISATION FOR
CONSUMER GOODS

OUR VISION



Europe's leading distributor organisation for consumer goods, creating opportunities using superior experience, knowledge and member resources

ESMA members are professionally run, sophisticated companies dedicated to launching, developing and supporting brands on behalf of their manufacturer clients

OUR MISSION



We stimulate the exchange of ideas and the building of business relationships

We offer specific and relevant information and knowledge transfer

We understand the role of distributor, its contribution in the value chain and we talk on its behalf

OUR MEMBERS



**86 DISTRIBUTOR
ACROSS 34 COUNTRIES**

New Member in Turkey



**41 MANUFACTURERS
ACROSS 16 COUNTRIES**

ESMA delivers benefits to Distributors



New business development

Networking

Workshops, Seminars, Webinars

Market Intelligence, Best Practice

Promote and Support Members at Trade Shows

Quality assurance

Annual Convention

Mentor Program

Innovation Awards

Unique association

Spirit and culture



ESMA Networking Platforms



Annual Convention



Brussels 14th – 17th September 2016

- 🌐 2016 Theme – “The New Efficient Consumer”
- 🌐 Hosted every year in a different country
- 🌐 A major opportunity to network with other sales/marketing organizations and manufacturers
- 🌐 Top speakers at the one-day business conference
- 🌐 Presentations on the key issues of the day
- 🌐 Social events / golf tournament/partners programme
- 🌐 Brand Showcase, Innovation Awards

WEB SITE



- A major hub for bringing Manufacturers and ESMA Members together
- A service to help manufacturers to find the right Distributor Business Partners
- A source of information on markets, events and manufacturer members
- A source to promote your Company across the Globe and ESMA Membership Base

www.esma.org



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I Thank You
for your time and wish you
every success with your
Business into the future